

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

CARPENTERS HEALTH AND SECURITY
TRUST OF WESTERN WASHINGTON;
CARPENTERS RETIREMENT TRUST OF
WESTERN WASHINGTON; CARPENTERS-
EMPLOYERS VACATION TRUST OF
WESTERN WASHINGTON; and
CARPENTERS-EMPLOYERS
APPRENTICESHIP AND TRAINING
TRUST OF WESTERN WASHINGTON,

Plaintiffs,

v.

DELTA INTERIORS LLP, a Washington
limited liability partnership; and IGNACIO
MEJIA, an individual,

Defendants.

Case No. 2:18-cv-01726

COMPLAINT FOR MONETARY
DAMAGES AND FOR
DECLARATORY RELIEF

I. PARTIES

1.1 Plaintiff Carpenters Health and Security Trust of Western Washington (“Carpenters Health Trust”) is a Taft-Hartley trust fund established to provide and maintain hospital, medical, dental, vision, disability or death benefits and any other similar benefits, or any combination thereof as the Trustees may determine in their discretion for the benefit

1 of the Employees and their beneficiaries. The Carpenters Health Trust maintains its
2 principal office in Seattle, King County, Washington.

3 1.2 Plaintiff Carpenters Retirement Trust of Western Washington (“Carpenters
4 Retirement Trust”) is a Taft-Hartley trust fund created to provide retirement and associated
5 death benefits for employees and their beneficiaries. The Carpenters Retirement Trust
6 maintains its principal office in Seattle, King County, Washington.

7 1.3 Plaintiff Carpenters-Employers Vacation Trust of Western Washington
8 (“Carpenters Vacation Trust”) is a Taft-Hartley trust fund created to provide vacation
9 benefits for employees. The Carpenters Vacation Trust maintains its principal office in
10 Seattle, King County, Washington.

11 1.4 Plaintiff Carpenters-Employers Apprenticeship and Training Trust Fund of
12 Western Washington (“Carpenters Apprenticeship Trust”) is a Taft-Hartley trust fund
13 created to defray, in whole or in part, costs of apprenticeship or other training programs for
14 the education of apprentices and journeymen carpenters. The Carpenters Apprenticeship
15 Trust maintains its principal office in Seattle, King County, Washington.

16 1.5 The Plaintiffs are commonly referred to collectively as the Carpenters Trusts
17 of Western Washington (the “Carpenters Trusts”).

18 1.6 Defendant Delta Interiors LLP (“Delta Interiors”) is a Washington limited
19 liability partnership with its principal place of business in Silverdale, Kitsap County,
20 Washington.

21 1.7 Defendant Ignacio Mejia is an individual believed to be residing in Poulsbo,
22 Kitsap County, Washington. Upon information and belief, Mr. Mejia is the sole partner
23 remaining in Delta Interiors.

II. JURISDICTION AND VENUE

2.1 This Court has exclusive jurisdiction over the First, Second, and Third Causes of Action pursuant to §502(e)(1) of the Employee Retirement Income Security Act of 1974 (“ERISA”), codified at 29 U.S.C. §1132(e)(1). This Court has supplemental jurisdiction over the Fourth Cause of Action pursuant to 28 U.S.C. §1367.

2.2 Venue in this Court is proper pursuant to §502(e)(2) ERISA, codified at 29 U.S.C. §1132(e)(2), and pursuant to agreement between the parties.

III. FACTS

3.1 On September 6, 2017, Defendant Ignacio Mejia and Nemesio Pina filed a *Limited Liability Partnership Registration* for Delta Interiors LLP with the Washington Secretary of State under RCW 25.05.

3.2 Five days later, on September 11, 2017, Defendant Ignacio Mejia filed an *Amended Report* for Delta Interiors LLP with the Washington Secretary of State. The *Amended Report* appears to make to changes to the partnership: (i) a change of principal office mailing address; and (ii) a reduction in partners (e.g. “governors”) to one, Defendant Ignacio Mejia.

3.3 On May 15, 2018, Ignacio Mejia, identifying himself as “President” of Delta Interiors LLP, executed a Project Agreement with the Pacific Northwest Regional Council of Carpenters (the “Union”) for work on the Magnolia Elementary School Renovation & Addition project, in Seattle, King County, Washington. The Project Agreement incorporates by reference the terms and conditions of the *2015 – 2018 Agreement between Associated General Contractors of Washington and Carpenters, Piledrivers, and Millwrights of the*

1 *Pacific Northwest Regional Council of Carpenters affiliate of the United Brotherhood of*
2 *Carpenters and Joiners of America, effective June 1, 2015 (the “Master Labor Agreement”):*

3 1. DESIGNATED LABOR AGREEMENT: The employer adopts
4 and agrees to abide by the following Labor Agreement:

5 ☒ Western & Central WA Master Labor Agreement Rep by:
6 AGC of Western WA Effective: 6/1/15 to 5/31/18.

7 3.4 By signing the Project Agreement, Delta Interiors agreed to make fringe
8 benefit contributions to the Carpenters Trusts and be bound by the terms and conditions of
9 their respective trust agreements:

10 6. TRUST FUND OBLIGATIONS: The undersigned Employer
11 hereby becomes a party to the applicable Trust Agreements for the
12 trust funds or their successors identified in the designated Labor
13 Agreement. The Employer agrees to be bound by the written
14 provisions and procedures of said Trust Agreements, and any present
15 or future amendments, and to any successor Trust Agreements.
16 Employer accepts as its lawful representatives, the employer trustees
17 who are now or who may hereafter serve on the Board of Trustees.

18 3.5 Prompt payment of wages and fringe benefit contributions is an essential
19 term of the Project Agreement.

20 3.6 The Carpenters Trusts are beneficiaries under the terms of the Project
21 Agreement and the Master Labor Agreement.

22 3.7 By executing the Project Agreements, as discussed above, Delta Interiors
23 agreed to the terms of the (i) Carpenters Health & Security Trust of Western Washington;
(ii) Carpenters Retirement Trust of Western Washington; (iii) Carpenters-Employers
Vacation Trust of Western Washington; and (iv) Carpenters-Employers Apprenticeship and
Training Trust of Western Washington.

3.8 Delta Interiors' obligations under the Carpenters Health Trust are set forth in Article II, Sections 8 – 13, and Article IV, Section 17 of the *Revised Trust Agreement of the Carpenters Health and Security Trust of Western Washington*, dated January 1, 1998, and as amended. Under the Carpenters Health Trust, Delta Interiors agreed to, among other things:

- Submit its reports on or before the 15th day of the calendar month following the month in which the contributions are payable, even if the company had no employees for that period of time;
- Comply with a request to submit any information, data, report or other documents reasonably relevant to and suitable for purposes of administration of the trust, as requested by the trust funds;
- Payment of liquidated damages of twelve percent (12%) on all delinquent contributions;
- Payment of interest of not less than seven percent (7%), nor more than eighteen percent (18%); and
- Payment of the trust fund's attorney fees, costs of collection, and auditor's fees.

3.9 Delta Interiors' obligations under the Carpenters Retirement Trust are set forth in Article II, Sections 8 – 13, and Article IV, Section 17 of the *Revised Trust Agreement of the Carpenters Retirement Trust of Western Washington*, dated January 1, 1998, and as amended. Under the Carpenters Retirement Trust, Delta Interiors agreed to, among other things:

- Submit its reports on or before the due date specified in the trust agreement or as set by the trustees, even if the company had no employees for that period of time;
- Comply with a request to submit any information, data, report or other documents reasonably relevant to and suitable for purposes of administration of the trust, as requested by the trust funds;
- Payment of liquidated damages of twelve percent (12%) on all delinquent contributions;

- Payment of interest of not less than seven percent (7%), nor more than eighteen percent (18%); and
- Payment of the trust fund's attorney fees, costs of collection, and auditor's fees.

3.10 Delta Interiors' obligations under the Carpenters Vacation Trust are set forth in Article II, Sections 8 – 13, and Article IV, Section 17 of the *Revised Trust Agreement of Carpenters-Employers Vacation Trust of Western Washington*, dated January 1, 1998, and as amended. Under the Carpenters Vacation Trust, Delta Interiors agreed to, among other things:

- Submit its reports on or before the due date specified in the trust agreement or as set by the trustees, even if the company had no employees for that period of time;
- Comply with a request to submit any information, data, report or other documents reasonably relevant to and suitable for purposes of administration of the trust, as requested by the trust funds;
- Payment of liquidated damages of twelve percent (12%) on all delinquent contributions;
- Payment of interest of not less than seven percent (7%), nor more than eighteen percent (18%); and
- Payment of the trust fund's attorney fees, costs of collection, and auditor's fees.

3.11 Delta Interiors' obligations under the Carpenters Apprenticeship Trust are set forth in Article II, Sections 8 – 13, and Article IV, Section 17 of the *Revised Trust Agreement of Carpenters-Employers Apprenticeship and Training Trust Fund of Western Washington*, dated January 1, 1998, and as amended. Under the Carpenters Apprenticeship Trust, Delta Interiors agreed to, among other things:

- Submit its reports on or before the due date specified in the trust agreement or as set by the trustees, even if the company had no employees for that period of time;

- Comply with a request to submit any information, data, report or other documents reasonably relevant to and suitable for purposes of administration of the trust, as requested by the trust funds;
- Payment of liquidated damages of twelve percent (12%) on all delinquent contributions;
- Payment of interest of not less than seven percent (7%), nor more than eighteen percent (18%); and
- Payment of the trust fund's attorney fees, costs of collection, and auditor's fees.

3.12 Upon information and belief, following execution of the Project Agreement, Delta Interiors used employees to perform work on the Magnolia Elementary School Renovation & Addition project, subject to the Master Labor Agreement. Delta Interiors also began its monthly reporting of fringe benefit contributions to the Carpenters Trusts.

3.13 Delta Interiors submitted its monthly contributions reports to the Carpenters Trusts. However, Delta Interiors did not provide any payment of its reported fringe benefit contributions.

3.14 As of the date of this complaint, Delta Interiors owes the Carpenters Trusts \$89,301.93 in fringe benefit contributions for the months of June 2018 through September 2018, \$9,759.36 in liquidated damages, plus additional amounts for ancillary charges including prejudgment interest, attorney fees, and costs of collection.

IV. CAUSES OF ACTION

First Cause of Action (Breach of Labor Agreement/Trust Agreement)

4.1 The Carpenters Trusts reallege each and every allegation contained in ¶¶ 3.1 – 3.14 above.

1 4.2 Delta Interiors' failure to properly report and pay fringe benefit contributions
 2 constitutes breaches of the terms of the Project Agreement and the Master Labor Agreement
 3 between the Union and Delta Interiors, to which the Carpenters Trusts are beneficiaries.
 4 Delta Interiors' failure to fully pay the fringe benefit contributions it reported also
 5 constitutes breaches of the Trust Agreements, the terms of which Delta Interiors agreed to
 6 when it signed the Project Agreement.

7 4.3 As a result of Delta Interiors' breach, the Carpenters Trusts have been
 8 damaged in an amount to be proven at trial, but not less than \$89,301.93, plus liquidated
 9 damages and other ancillary charges including prejudgment interest, attorney fees, and costs
 10 of collection.

11 **Second Cause of Action**
 12 **(Violation of ERISA)**

13 4.4 The Carpenters Trusts reallege each and every allegation contained in ¶¶3.1 –
 14 3.14 above.

15 4.5 Delta Interiors' failure to report and pay fringe benefit contributions
 16 constitutes a violation of §503(a)(3), §515 ERISA, codified at 29 U.S.C. §1132(a)(3),
 17 §1145.

18 4.6 As a result of Delta Interiors' violation, the Carpenters Trusts have been
 19 damaged in an amount to be proven at trial, but not less than \$89,301.93, plus liquidated
 20 damages and other ancillary charges including prejudgment interest, attorney fees, and costs
 21 of collection.
 22
 23

**Third Cause of Action
(Breach of Fiduciary Duty)**

4.7 The Carpenters Trusts reallege each and every allegation contained in ¶¶3.1 – 3.14 above.

4.8 Defendant Ignacio Mejia is responsible for Delta Interiors’ reporting and payment of fringe benefit contributions to the Carpenters Trusts.

4.9 Employee deductions for contributions, such as the amounts withheld for payment to the Carpenters Vacation Trust, are considered trust fund assets as of the earliest dates on which such contributions can be reasonable segregated from the employer’s general assets.

4.10 Defendant Mejia, for purposes of ERISA, is a fiduciary of trust fund assets, because he exerted control over employee deductions withheld for payment to the Carpenters Trusts.

4.11 Defendant Mejia has failed to turn over trust fund assets, consisting of \$4,852.50 in employees’ vacation pay to the Carpenters Trusts, despite demand.

4.12 Defendant Mejia’s failure to remit trust fund assets is a breach of fiduciary duty under ERISA, and has damaged the Carpenters Trusts in an amount to be determined at trial, but not less than \$4,852.50.

**Fourth Cause of Action
(Conversion)**

4.13 The Carpenters Trusts reallege each and every allegation contained in ¶¶3.1 – 3.14 above.

4.14 Defendant Mejia withheld dues from Delta Interiors’ employee paychecks pursuant to the terms of the Master Labor Agreement. However, Mejia did not remit the

1 employee dues withholdings to the Carpenters Trusts' administration office with the
2 company's monthly reports.

3 4.15 Defendant Mejia's actions were performed for and benefitted Delta Interiors,
4 and give rise to a cause of action for conversion.

5 4.16 Defendant Mejia's failure to remit employee dues deductions to the
6 Carpenters Trusts' administration office has damaged the Carpenters Trusts in an amount to
7 be determined at trial, but not less than \$7,973.91.

8 **Fifth/Alternative Cause of Action**
9 **(Declaratory Relief)**

10 4.17 The Carpenters Trusts reallege each and every allegation contained in ¶¶3.1 –
11 3.14 above.

12 4.18 Defendant Mejia's filing of an amended annual report listing himself as the
13 only governor of Delta Interiors violates Washington's law on partnerships, because a
14 partnership requires two or more partners to legally exist.

15 4.19 Because Delta Interiors cannot exist as a legal partnership with only one
16 partner, Mejia was thereafter, as a matter of law, a sole proprietor conducting business as
17 Delta Interiors.

18 4.20 Defendant Mejia, as a sole proprietor, is the employer and is thus liable to the
19 Carpenters Trusts for the full \$89,301.93 amount of the delinquent contributions, plus
20 liquidated damages and other ancillary charges including prejudgment interest, attorney
21 fees, and costs of collection.

22 **V. REQUESTED RELIEF**

23 The Carpenters Trusts respectfully request the Court grant the following relief:

- 1 A. Judgment in favor of the Carpenters Trusts against Delta Interiors, in an
2 amount to be determined at trial, but not less than \$89,301.93, representing
3 past-due and delinquent fringe benefit contributions owed by defendant
4 pursuant to the terms of the labor and trust agreements to which Delta
5 Interiors is a party;
6
7 B. Judgment in favor of the Carpenters Trusts against Delta Interiors, in an
8 amount to be determined at trial, but not less than \$9,759.36, representing
9 liquidated damages owed by defendant pursuant to the terms of the labor and
10 trust agreements to which Delta Interiors is a party;
11
12 C. Judgment in favor of the Carpenters Trusts against Delta Interiors, in an
13 amount to be determined at trial, representing accrued prejudgment interest
14 owed by defendant pursuant to the terms of the labor and trust agreements to
15 which Delta Interiors is a party;
16
17 D. Judgment in favor of the Carpenters Trusts against Ignacio Mejia individual,
18 for joint and several liability with Delta Interiors for \$12,826.41, representing
19 \$4,852.50 in vacation contributions and \$7,973.91 in dues withheld from
20 employee paychecks but not remitted to the Carpenters Trusts;
21
22 E. An award of attorney fees of not less than \$5,000.00, plus costs of collection,
23 as authorized by the labor and trust agreements to which Delta Interiors is a
party, and as authorized under ERISA;
F. An award of post-judgment interest at the 12% rate specified by the
applicable trust agreement, and as authorized under ERISA; and
G. Any other such relief under federal law or as is just and equitable.

Dated: November 30, 2018.

s/ Jeffrey G. Maxwell

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